

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO**

UNITED STATES OF AMERICA,

Plaintiff,

v.

JACOR COMMUNICATIONS, INC. and
CITICASTERS, INC.,

Defendants.

No. _____
(Antitrust)

STIPULATION

It is stipulated by and between the undersigned parties, by their respective attorneys, that:

A. The parties to this Stipulation consent that a Final Judgment in the form attached may be filed and entered by the Court, upon any party's or the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), without further notice to any party or other proceedings, provided that Plaintiff has not withdrawn its consent, which it may do at any time before entry of the proposed Final Judgment by serving notice on the defendants and by filing that notice with the Court.

B. If Jacor enters into a local marketing agreement or time brokerage agreement ("LMA") for WKRQ with another person that has entered into a written agreement to acquire the WKRQ Assets ("broker") and the person and LMA have been approved by the plaintiff, Jacor need not comply with Sections VIII(A), (C),(D), (F), (G), (H), (K), (M) or (N) of the Final Judgment, provided that the LMA includes the following provisions:

- (1) Jacor shall not sell advertising time for WKRQ or any other station owned by the broker;
- (2) If Jacor has any employee working at WKRQ, each such employee shall not sell advertising time, or participate in programming or financial decisions of the broker, and Jacor shall ensure that each such employee does not influence or attempt to influence, directly or indirectly, any decision related to programming or the sale of advertising time by the broker, except to the extent necessary for Jacor to fulfill its obligations as the licensee under applicable FCC rules and policies related to LMAs;
- (3) Each such employee shall not have access to WKRQ confidential information, including marketing, sales, pricing or rate information related to the sale of advertising time on radio stations in the Cincinnati area, and shall not communicate or otherwise disclose any information related to the sale of advertising on WKRQ or the format or programming at WKRQ to anyone at Jacor;
- (4) Each such employee shall not be employed by another Jacor Cincinnati Radio Station except that Jacor employees may provide technical and administrative services to WKRQ;

- (5) No officer, director or employee of Jacor shall be an officer, director or employee of the broker;
- (6) The broker shall hold no interest in Jacor at the time it enters into the LMA, unless plaintiff agrees otherwise in writing;
- (7) Jacor shall not hold an interest in the broker, and shall not receive compensation related to profits earned by the broker from advertising sales of WKRQ;
- (8) Jacor shall exercise no right of control under the LMA to oversee the programming, personnel, operations or finances of WKRQ, without providing 14 days prior notice to plaintiff, except that if Jacor is required to take action to fulfill its obligations as the licensee under applicable FCC rules and policies related to LMAs, Jacor may take immediate action after notifying plaintiff. Such action shall be limited in scope and time to what is necessary to correct the problem and shall be consistent with FCC rules and policies;
- (9) Jacor shall take all steps necessary to preserve the WKRQ Assets in good working condition within the bounds of its rights and obligations under the LMA; and
- (10) Jacor and the broker shall enter into no agreement or understanding that limits competition between WKRQ and the Jacor Cincinnati radio stations.

For purposes of this Stipulation, the term "broker" means the person who enters into the LMA and the written agreement to acquire the WKRQ Assets, the person's successors and assigns and its subsidiaries, affiliates, parents, directors, officers, managers, agents and employees acting for or on behalf of any of them. This provision will survive the entry of the Final Judgment and terminate after the divestiture ordered by Section IV of the Final Judgment is completed.

C. The parties recognize that there could be a delay in obtaining approval by or a ruling of a government agency related to the divestiture required by Section IV of the Final Judgment, notwithstanding the diligent and good faith efforts of Jacor and any prospective owner of the WKRQ Assets. The Department will, in the exercise of its sole discretion, acting in good faith, give special consideration to extending the time period specified in Section IV of the Final Judgment provided that:

- (1) Jacor has entered into a definitive agreement to divest the WKRQ assets and such agreement and the prospective purchaser have been approved by the Department;
- (2) All papers necessary to secure any governmental approvals and/or rulings to effectuate such divestiture (including but not limited to FCC, SEC and IRS approvals or rulings) have been filed with the appropriate agency;
- (3) Receipt of such approvals are the only closing conditions that have not been satisfied or waived; and
- (4) Jacor has demonstrated that neither it nor the prospective owner of the WKRQ Assets is responsible for any such delay.

D. The parties understand that nothing in the Final Judgment should be construed to require the trustee appointed pursuant to Section V of the Judgment to directly or indirectly control, supervise, direct or attempt to control the operations of WKRQ, without receiving the prior approval of the FCC. Such operations, including complete control and supervision of all of the programs, employees, finances, operations and policies of WKRQ, shall remain solely the responsibility of defendants, subject to its obligations set forth in Section VIII of the Final Judgment, or the responsibility of the broker, subject to the rights and limitations described in

Paragraph (C), above. Nothing in this paragraph shall change or limit the right of the trustee to sell the WKRQ Assets pursuant to Section V of the Final Judgment.

E. The parties shall abide by and comply with the provisions of the proposed Final Judgment pending entry of the Final Judgment, and shall, from the date of the filing of this Stipulation, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court; provided, however, that Citicasters need not comply with Section V or Sections VIII(B) through VIII(N) until the Jacor/Citicasters Transaction has been consummated; provided further that, prior to the consummation of the Transaction, Jacor shall take no action to impede or influence Citicasters' compliance with Section VIII(A); and provided, further, that Citicasters need not comply with Sections IV(B) through IV(D) until the earlier to occur of the consummation of the Transaction or ten business days following issuance of all FCC approvals required as a condition to the consummation of the Transaction, except that, prior to the time Citicasters' obligation to comply with Sections IV(B) through IV(D) arises, Citicasters shall use all reasonable efforts to cooperate with Jacor's efforts to divest the WKRQ Assets.

F. Jacor shall prepare and deliver reports in the form required by the provisions of paragraph B of Section VII of the proposed Final Judgment commencing no later than September 1, 1996, and every thirty days thereafter pending entry of the Final Judgment.

G. In the event plaintiff withdraws its consent, as provided in paragraph (A) above, or if the proposed Final Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect whatever, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

H. All parties agree that this agreement can be signed in multiple counter-parts.

DATED: August 2, 1996

FOR THE PLAINTIFF:

NANCY M. GOODMAN
Assistant Chief
Telecommunications Task Force

ANDREW S. COWAN
Attorney
Telecommunications Task Force

U.S. Department of Justice
Antitrust Division
555 4th Street N.W., Room 8104
Washington, DC 20001
(202) 514-5621

FOR THE DEFENDANT:

THOMAS B. LEARY
Counsel for Jacor Communications, Inc.

TOM D. SMITH
Counsel for Citicasters, Inc.